

AZ SPO POLICY
Number: 008
ETHICS

Statement: The Procurement Office strongly endorses ethics training. It is the purpose of this policy to provide some basic discussion, interpretations and guidance for consistency throughout the state on ethics.

Discussions: In the public procurement environment all state employees are confronted by the issues of ethics. For this discussion, ethics is our personal, moral or professional code of conduct. While each occurrence is situational there are specific policies that the State Procurement Office has determined to be the “best practices” and should be followed by each state agency. This policy is offered as a general guideline to deal with various aspects of ethical behavior.

It is the policy of the State of Arizona Procurement Office to maintain the highest ethical standard consistent with professional public procurement, best practices and zero tolerance for unethical behavior. Additionally, ethical practices are paramount to fostering an environment of a fair, equitable, open and completely transparent procurement process. The ultimate goal is to increase competition; thus insuring the “best value” procurement for the state and providing a “win-win” situation.

“Gratuity” means a payment, loan, subscription, advance, and deposit of money, service or a promise of such given in return for a favor or in expectation of a favor. A gratuity may include any tangible and intangible benefit in the nature of gifts, favors, entertainment or discounts and kickbacks. Also included are passes, transportation, accommodations, hospitality, or offers of employment in connection with any decision, approval, disapproval, recommendation, influence, investigating, auditing, rendering advice, request for ruling, determination or claim. Gratuity by definition asserts that there is an implied obligation of further favorable action on the part of the person who receives a gratuity.

The concept of ethics and ethical behavior is difficult to define because it is predicated on individual interpretation of conduct, values, or codes. Trust, respect, fairness, integrity and credibility are values that we expect of any business relationship. Attachment 2 “The Arizona State Procurement Office Statement of Procurement Conduct and Values” should be inherent in conducting any state activity and is a condition of procurement delegation.

While there are a numerous ethics situations and possible methods of dealing with each one, recommended guidelines include:

- I. Avoid the intent and appearance of an unethical or compromising practice in relationships, actions and communications;
- II. Never solicit or accept (gratuities) money, loans, credits, or discounts, gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions; and
- III. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle. Display the highest ideals and integrity in all relationships in order to merit respect and confidence in the state procurement process. Remember that all state employees are required to conduct themselves in an ethical manner.

This policy is hereby effective this _____ day of March 2002.

John O. Adler, CPPO
State Procurement Administrator

Attachments:

Attachment 1 - Related Topics in Situational Ethics

Attachment 2 - Statement of Procurement Conduct and Values

RELATED TOPICS IN SITUATIONAL ETHICS

The following questions and answers are intended to address specific circumstances where there is often uncertainty as to the appropriate response. The State Procurement Office (AzSPO) provides each response as a general “rule of thumb” in dealing with an issue. A policy of not accepting any (“zero tolerance”) gratuities should be promoted. Fostering a situational environment of accepting gratuities is potentially troublesome.

- Q. When attending a conference or a vendor’s products show is it appropriate for state employees to accept promotional items (i.e., key chains or pens)?
- A. AzSPO endorses a policy of zero tolerance towards the acceptance of these items.
- Q. A vendor has dropped off a platter of cookies at the receptionist’s desk. Can we accept the cookies and place it in the common break room for everyone to enjoy?
- A. The best practice is to call the vendor and explain to them that your agency has a “zero tolerance” policy towards the acceptance of gifts. Ask them for disposition instructions of the materials. If the donor is truly unknown the materials may be taken to the break room for general consumption. Better yet - donated to a charity.
- Q. A group of vendors have invited me to lunch to discuss upcoming solicitations. Who pays for my meal?
- A. The best practice is not to conduct business over lunch. If the situation makes it necessary to do so, be sure that you pay for your own meal. Employees must always be cognizant of the perceptions generated by our actions.
- Q. Last week an incumbent vendor dropped by our office and passed out coffee cups, sun visors and calendars engraved with their company logo. It just so happens that a solicitation for a new contract for these services is pending. Should I keep it?
- A. The best practice is not to accept the materials. Potential vendors who visit your job site may take exception if the materials are being displayed. They may conclude that the incumbent vendor is a “shoo-in” for re-award.
- Q. As part of the solicitation evaluation process, I have to attend a demonstration at the vendor’s facility. If offered coffee or juice, may I accept it?
- A. Yes, you may just as we would offer the same to the vendor. This is a situation where one needs to develop a relationship with the vending community while staying within ethical bounds. Vendor catered lunches should not be accepted.

STATEMENT OF PROCUREMENT CONDUCT AND VALUES

Any person employed by the State of Arizona who purchases goods and services, or is involved in the purchasing process, for the state, shall be bound by this code and shall:

1. Never solicit or accept money, loans, credits or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.
2. Promote positive supplier relationships by providing an environment where all business concerns, large and small, majority or minority owned is afforded an equal opportunity to compete for State of Arizona business.
3. Conduct all purchasing activities in accordance with the laws, while remaining alert to, and advising management regarding the legal ramifications of the purchasing decisions.
4. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire opportunity by strict avoidance in the intent and appearance of unethical or compromising practice in relationships, actions and communications.
5. Demonstrate loyalty to the State of Arizona and employing agency by diligently following all the lawful instructions while using professional judgement, reasonable care, and exercising only the authority granted.
6. Enhance the proficiency and professional status of procurement by seeking further educational endeavors.
7. Refrain from any private or professional activity that would create a conflict between personal interests and the interest of the State of Arizona with an un-abiding consideration for the role of perceptions.
8. Constantly strive for the highest standards of ethical behavior; trust, respect, fairness, integrity and credibility.